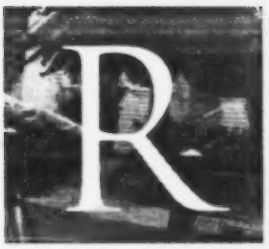


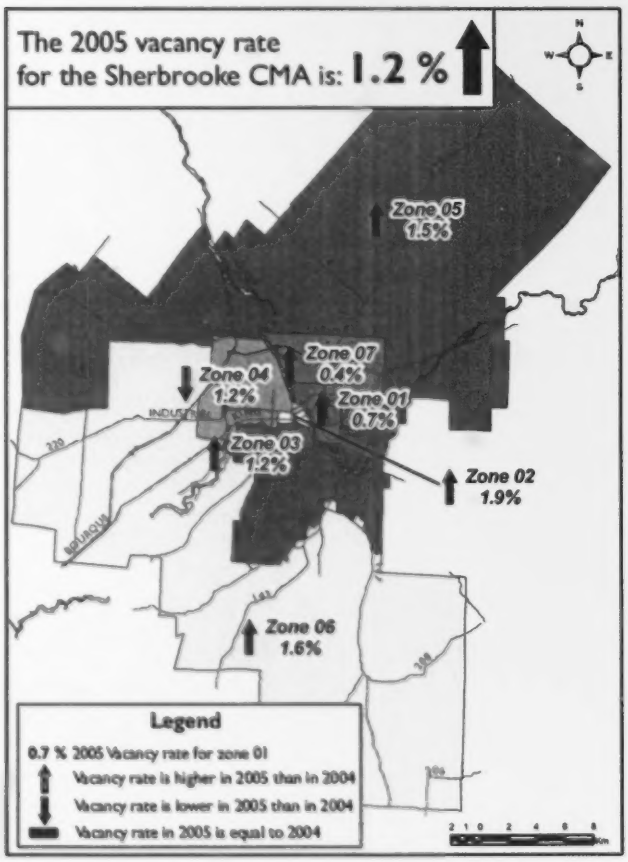
RENTAL MARKET REPORT

SHERBROOKE CMA

OCTOBER 2005

ANOTHER STEP TOWARD EASIER MARKET CONDITIONS

In the Sherbrooke census metropolitan area (CMA), the vacancy rate edged up slightly for a second straight year. This new rise confirmed the gradual trend toward greater fluidity on the rental market. The vacancy rate went from 0.7 per cent to 0.9 per cent between 2003 and 2004, and this proportion has now reached 1.2 per cent in 2005.


The 2005 vacancy rate for the Sherbrooke CMA is: 1.2 %
Zone 05 1.5%
Zone 07 0.4%
Zone 04 1.2%
Zone 01 0.7%
Zone 03 1.2%
Zone 02 1.9%
Zone 06 1.6%
Legend
0.7 % 2005 Vacancy rate for zone 01
Vacancy rate is higher in 2005 than in 2004
Vacancy rate is lower in 2005 than in 2004
Vacancy rate in 2005 is equal to 2004

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Canada

CMHC SCHL
HOME TO CANADIANS

Apartment Vacancy Rates (%) by Major Centres		
	2004	2005
Abbotsford	2.8	3.8
Calgary	4.3	1.6
Edmonton	5.3	4.5
Gatineau	2.1	3.1
Greater Sudbury	2.6	1.6
Halifax	2.9	3.3
Hamilton	3.4	4.3
Kingston	2.4	2.4
Kitchener	3.5	3.3
London	3.7	4.2
Montréal	1.5	2.0
Oshawa	3.4	3.3
Ottawa	3.9	3.3
Québec	1.1	1.4
Regina	2.7	3.2
Saguenay	5.3	4.5
Saint John	5.8	5.7
Saskatoon	6.3	4.6
Sherbrooke	0.9	1.2
St. Catharines-Niagara	2.6	2.7
St. John's	3.1	4.5
Thunder Bay	5.0	4.6
Toronto	4.3	3.7
Trois-Rivières	1.2	1.5
Vancouver	1.3	1.4
Victoria	0.6	0.5
Windsor	8.8	10.3
Winnipeg	1.1	1.7
Total	2.7	2.7

Unoccupied dwellings, which stood at 228 units one year ago, have now reached 296 units, out of a stock of 25,665 apartments contained in privately initiated buildings with three or more housing units. The market therefore remained tight, and it will still be relatively difficult to find a dwelling. In the short term, renters seeking an apartment will hardly feel the effects of the increase in the number of unoccupied units, and the cautious behaviours that they have adopted in recent years (not leaving their apartment before having found another one, for example) will remain a must.

Once again, immigration was the driving force behind the new demand for rental housing observed between the last two surveys. Apart from this factor that stimulated demand, the determining variables on the rental market all evolved in such a way as to put upward pressure on the vacancy rate in 2005. The supply of new units remained high, although down in relation to the previous twelve months. In addition, this appreciable increase in supply came at a time when demand for rental housing was declining as a result of a job market that was less favourable to renters and a homeownership trend that remained strong. These last factors offset the upward push on demand resulting from the rise in immigration. The vacancy rate therefore went up slightly.

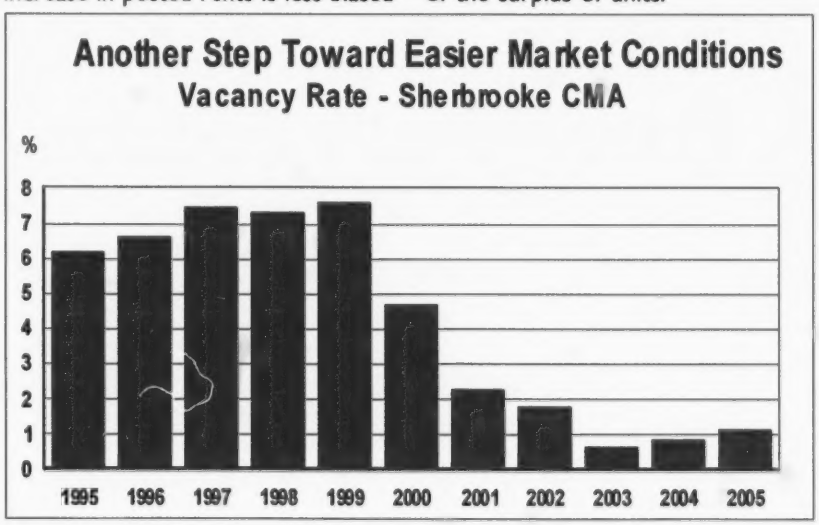
Rent increase moves closer to inflation

In such a tight market, it is natural to see a rapid increase in rents. Last year, for example, the average rent for two-bedroom units rose by 5 per cent over the level registered the year before. For 2005, however, the hike was limited to 2 per cent. Apartments of this type are often used to give an idea of the general trend on the market. Since the rental housing stock comprises many such dwellings, the increase in posted rents is less biased by the arrival of new units, which are often very expensive in relation to existing apartments. From September 2004 to June 2005, the period when most rent increases were announced, the average inflation rate was 2.25 per cent. The rent hike was therefore close to inflation.

One-bedroom apartments posted the greatest rent hike, at 3.8 per cent. Last year, these units were in last place, with a modest rise of 1.8 per cent. As the increases varied between 2.0 per cent and 3.8 per cent this year, depending on the unit type, compared to gains of 1.8 per cent to 5.1 per cent last year, it can therefore be seen that the requested increases have declined.

Surplus of expensive units being absorbed

Last year, unoccupied units had accumulated in newer buildings and in the upscale segment (apartments renting for $700 or over per month) on account of the vigorous production of rental apartments and the limited demand for higher-end unit types. The slower arrival of new units, combined with the movement of renters between the different rent ranges, allowed for a rapid absorption of the surplus of units.

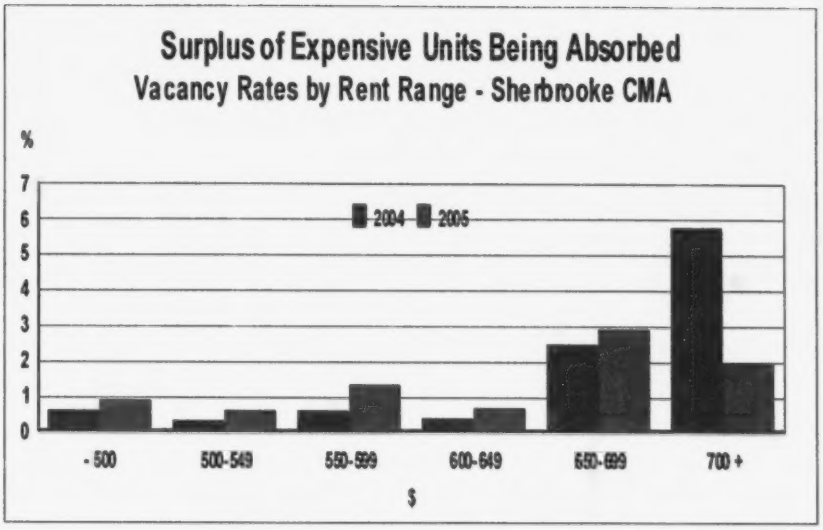


As a result, the vacancy rate for apartments with rents of $700 or over went from 5.8 per cent in 2004 down to 2.0 per cent this year. During the same period, the proportion of vacant units fell from 4.1 per cent to 2.5 per cent in newer structures, built in the year 2000 or after. To live in a two-bedroom apartment contained in these newer buildings, renters generally have to pay on average $160 more than the market rent, or nearly $2,000 more per year.

Apartments were scarce in the Sherbrooke area, regardless of their type. However, a greater percentage of bachelor units were unoccupied, with a vacancy rate of 1.8 per cent, compared to rates of 1.0 per cent to 1.1 per cent for the other apartment types.

Likewise, buildings of all sizes posted good rental performances, even though the vacancy rates were slightly higher in structures with 50 to 99 units (2.5 per cent) and those with 100 or more units (2.1 per cent). In the other building size categories, the proportions of unoccupied units did not exceed 1.2 per cent. Two-bedroom and three-bedroom apartments contained in housing projects with 50 to 99 units generally rented for $80 and $40 more per month, respectively. These amounts represent the minimum premium that must be paid to live in a large housing project, as the comparison was made with apartments contained in structures with 3 to 5 units, which represent the second most expensive building category[1].

It was only in 2001, when vacant units became scarce, that the rental performance posted by large buildings (with 50 or more units) fell below the results recorded by mid-size structures (with 6 to 49 units). This may be partly due to the fact that rental property managers are better equipped than independent owners to face difficult rental periods. Most large buildings are managed by such property managers, but this proportion decreases with the size of the building. This comparative advantage would appear to decline on a tight rental market.



No major differences among the market zones

In the different districts of the Sherbrooke CMA, the vacancy rates ranged from a minimum of 0.4 per cent to a maximum of 1.9 per cent. It can therefore be noted that market conditions are tight everywhere, but to varying degrees.

The Centre district posted the highest vacancy rate, up by nearly one percentage point. In Sherbrooke, this district has always been one of the first to see its surplus of unoccupied units increase when the market eases. This sector has many dwellings that have deteriorated over time and a considerable mix of uses, including residential, commercial and industrial. Residents of the Centre district must therefore be more tolerant of noise pollution and not feel insecure living near bars and organizations that provide assistance to people in need. This, among other reasons, is why clients are more mobile there.

The former municipality of Rock Forest had the second highest vacancy rate (1.6 per cent). This was also the zone that showed the strongest increase in its vacancy rate. The high rents in this district may have hindered its rental performance, especially in the case of two-bedroom units. In Rock Forest, apartments of this type rented for an average of $561, versus $505 for the overall CMA and the same amount in the North district, which is more central and has the reputation of being the chic district of Sherbrooke. Higher rents also have a negative impact on rental performance in a sector where houses sprout like mushrooms. In recent years, however, the rental market in Rock Forest had managed to do quite well despite its high rents.

Another interesting particularity is that the vacancy rate for bachelor apartments reached 4 per cent in the

[1] The rents charged in buildings with 100 or more units cannot be disclosed on account of their limited reliability.

Ascot-Lennoxville zone. With an average rent of $334 per month, these apartments seem to be less popular among a population comprising a significant proportion of students and households in need. However, students effectively gain by sharing accommodations to reduce their housing expenses. In fact, three students who rent a three-bedroom apartment will each pay $200 per month for their housing, compared to $334 if they opted for a bachelor unit. According to these results, trading intimacy for collegiality would result in savings of $1,560 per year.

Easing trend noted in CMAs across Quebec

Rental market conditions eased in almost all CMAs across Quebec. In fact, Montréal (2.0 per cent), Québec (1.4 per cent), Gatineau (3.1 per cent) and Trois-Rivières (1.5 per cent) posted higher vacancy rates in 2005 than in 2004. Once again this year, Sherbrooke had the lowest vacancy rate among the CMAs in Quebec. In the Saguenay area, the number of unoccupied units went down, but the surplus of units remained significant, as the vacancy rate reached 4.5 per cent there. The average vacancy rate for the province stands at 2,0 per cent.

Several factors contribute to the rise in the vacancy rate

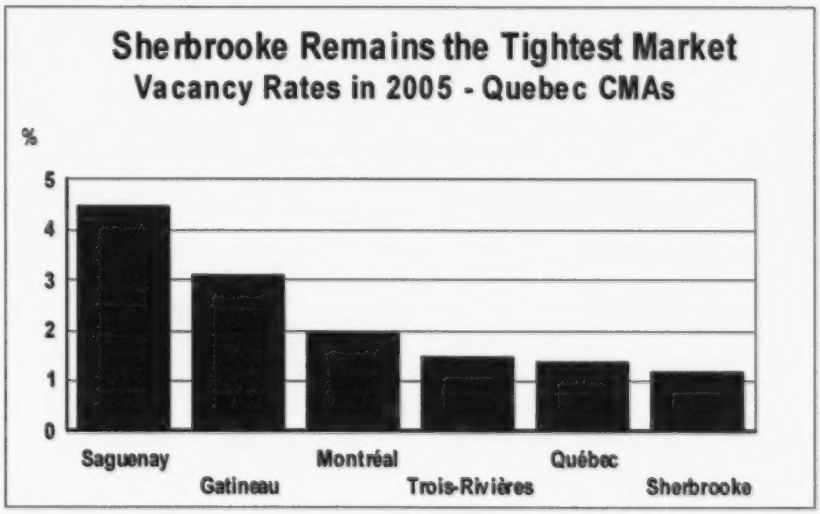
Apart from migration, the determining variables on the rental market all evolved in such a way as to put upward pressure on the vacancy rate in 2005. First, compared to the same period twelve months earlier, the supply of new units that arrived on the market between July 2004 and June 2005[2] remained high, although down from the twelve previous months (411 units versus 548). Second, this appreciable increase in supply came at a time when demand for rental housing was declining as a result of a job market that was less favourable to renters and a homeownership trend that remained strong. In the Sherbrooke CMA, freehold housing starts remained steady and did not fall between the two surveys. The labour market, however, showed signs of weakness among the 15 to 24 years' and 25 to 44 years' age segments, two groups that account for a large share of renters who are part of the labour force. For them, full-time employment has been on the decline since the third quarter of 2004. This phenomenon also brought about a decrease in net interprovincial and intraprovincial migration.

During this period, employment remained steady for older workers, aged from 45 to 64 years, which helped support demand for more upscale homes and, to a certain extent, for condominiums. This also did nothing to stimulate demand for rental housing.

In 2003-2004, interprovincial and intraprovincial migration became negative again for the Sherbrooke CMA, after two years of positive results. Immigration, however, became stronger and rose from 976 to 1,425 people. Upon their arrival in the area, international migrants more significantly stimulate demand for rental housing than newcomers from elsewhere in Quebec or Canada. In the first case, the newly arriving residents almost always choose the rental market while, in the second, where families change areas for work purposes, they often opt directly for the purchase of a home, without going through the rental market. Also, migration movements between the two surveys contributed to supporting demand for rental housing and certainly curbed the rise in the vacancy rate.

Gradual rise in vacancies to continue in 2006

The decrease in rental housing starts observed this year will result in a much lower level of new units completed for the 2006 survey than for the 2005 survey. During the first nine months of the year, 208 rental housing starts were enumerated, compared to 441 in the same period last year. Already, this reduction by almost half of the production will prevent any marked increase in the vacancy rate.



[2] To be included in the 2005 Rental Market Survey, new buildings had to be completed before the end of June 2005.

Rental housing demand will decline slightly from now until the next survey. First of all, immigration will very likely decrease, as the area generally receives 1,000 people from abroad, not 1,400 as was the case in 2003-2004[3]. In addition, there is no indication that the situation on the labour market will improve for younger people. However, a slight slowdown in the homeownership trend will support demand for rental housing, but will not fully offset the negative effects of the other factors.

All these factors combined will cause the vacancy rate to continue its slow rise, and this proportion will reach 1.4 per cent in October 2006. It is therefore still gradually that the Sherbrooke area market will move away from the period of shortage of unoccupied rental units. The average rent for two-bedroom apartments will go up by $10 per month and attain $515, for an increase of just under 2 per cent.

In the short term, renter moves should be less numerous than last year

According to the results of the Rental Market Survey conducted in October, 1.4 per cent of the rental housing units were available on the market in the Sherbrooke area. The availability rate exceeded the vacancy rate by 0.3 of a percentage point. This rate includes not only the vacant units but also the units for which the existing tenant has given, or has received, notice to move, and for which a new tenant has not signed a lease, and gives a somewhat more general idea of the short-term supply of unoccupied units.

The availability data seems to indicate that even fewer renters than last year will move in the short term, either to find another rental dwelling or to access homeownership. This movement, which should affect fewer than 80 renters this year, concerned around double that number in 2004, which was still low. Renters in the area will continue to take the cue given by several stakeholders, that is, to be cautious before leaving their dwellings because it will be difficult for them to find a vacant one. Renters seem to have well adopted this behaviour, as minimal mobility becomes a sign of caution. It should be noted that the easing of the rental market is barely perceptible to renters, with the surplus of unoccupied units increasing ever so gradually.

Based on the availability indicator, Rock Forest and the Centre district are the sectors where landlords should expect the greatest turnover among their clients, as these zones attained the highest availability rates, at 2.0 per cent and 1.9 per cent, respectively.

For more information about this publication, please contact our:

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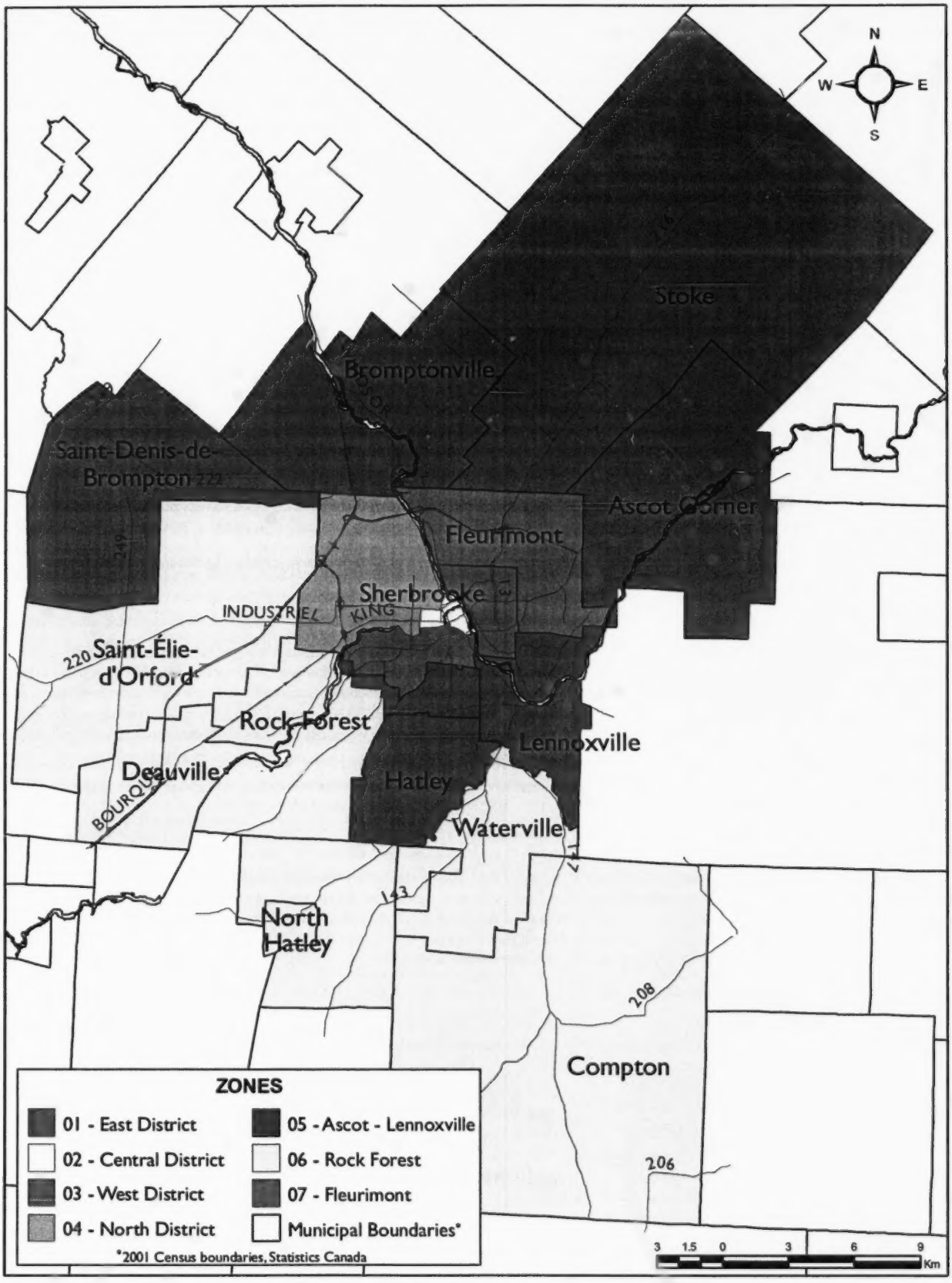
[3] Immigration in the regions is difficult to forecast, since the levels depend on broader factors than the good health of the labour market. Immigration sometimes occurs following changes in the application of policies, for family reunification purposes, etc.


N
W
E
S
Stoke
Bromptonville
Saint-Denis-de-Brompton
222
Ascot Corner
Fleurimont
Sherbrooke
INDUSTRIEL
KING
220
Saint-Élie-d'Orford
Rock Forest
Lennoxville
Deauville
BOURQUE
Hatley
Waterville
143
North Hatley
208
Compton
206
ZONES
01 - East District
02 - Central District
03 - West District
04 - North District
05 - Ascot - Lennoxville
06 - Rock Forest
07 - Fleurimont
Municipal Boundaries*
*2001 Census boundaries, Statistics Canada
3 1.5 0 3 6 9
Km

ZONE DESCRIPTIONS - SHERBROOKE CMA	
Zone 1	**East District** - North: City Limits; South: City Limits; East: City Limits; West: St-François River.
Zone 2	**Central District** - North: St-François River; South: Galt West and Wellington; East: St-François River; West: Belvedère and Queen North.
Zone 3	**West District** - North: Magog River and Galt West; South: City Limits; East: Wellington South; West: Magog River.
Zone 4	**North District** - North: City Limits; South: Magog River; East: St-François River and Queen North.
Zones 1-4	**Former Sherbrooke City**
Zone 5	**Canton of Ascot and City of Lennoxville** - Including: Ascot Corner, Bromptonville, Brompton Township and St-Denis-de-Brompton.
Zone 6	**Rock Forest** - Including: Deauville, North Hatley and Hatley Township.
Zone 7	**Fleurimont** - Including: St-Élie-d'Orford and Stoke.
Zones 1-7	**Sherbrooke CMA**

Zone Realignment and Census Tract Revision

For a number of centres, the zones were realigned to better match existing neighbourhoods (see zone descriptions) and, in some cases, the zones were renumbered. At the same time, the census tracts, which make up the zones, were revised to make them correspond to the 2001 census boundaries (as determined by Statistics Canada). The result of these two actions is the following: the universe size, the vacancy rate and the average rent reported for year 2004 in the 2004 rental market publications may be different from the year 2004 numbers reported in the 2005 reports.

Rental Market Report Tables

Available in ALL Rental Market Reports

Private Apartment Data:

1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
1.1.2 Average Rents ($) by Zone and Bedroom Type
1.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
1.1.4 Availability Rates (%) by Zone and Bedroom Type
1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
1.2.2 Average Rents ($) by Year of Construction and Bedroom Type
1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
1.3.2 Average Rents ($) by Structure Size and Bedroom Type
1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Apartment Data:

1.3.3 Vacancy Rates (%) by structure Size and Zone

Private Row (Townhouse) Data:

2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
2.1.2 Average Rents ($) by Zone and Bedroom Type
2.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
2.1.4 Availability Rates (%) by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
3.1.2 Average Rents ($) by Zone and Bedroom Type
3.1.3 Number of Units - Vacant and Universe by Zone and Bedroom Type
3.1.4 Availability Rates (%) by Zone and Bedroom Type

1.1.1 Private Apartment Vacancy Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - East District	0.6	1.6	0.5	0.5	0.8	0.7	0.2	0.5	0.6	0.7
Zone 2 - Central District	0.6	3.2	0.8	0.9	1.2	2.4	1.5	2.0	1.0	1.9
Zone 3 - West District	1.6	1.0	1.2	0.9	0.5	1.4	0.3	1.2	0.8	1.2
Zone 4 - North District	1.5	1.2	0.3	1.9	1.9	1.0	0.7	0.9	1.3	1.2
Former Sherbrooke City	1.1	1.7	0.7	1.0	1.1	1.1	0.6	1.0	0.9	1.1
Zone 5 - Ascot/Lennoxville	2.1	4.0	0.5	1.4	1.5	1.4	2.3	2.0	1.4	1.5
Zone 6 - Rock Forest	**	**	0.0	0.8	0.2	2.0	0.6	0.9	0.3	1.6
Zone 7 - Fleurimont	**	**	0.0	2.5	0.1	0.0	0.4	0.0	0.2	0.4
Sherbrooke CMA	1.1	1.8	0.6	1.1	1.0	1.1	0.8	1.0	0.9	1.2

1.1.2 Private Apartment Average Rents ($) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - East District	305	304	380	393	486	485	586	592
Zone 2 - Central District	299	323	357	368	424	433	525	517
Zone 3 - West District	322	332	378	383	456	466	541	551
Zone 4 - North District	370	381	442	463	551	561	654	666
Former Sherbrooke City	328	337	392	406	496	504	597	608
Zone 5 - Ascot/Lennoxville	336	334	390	409	464	478	589	597
Zone 6 - Rock Forest	**	n/s	395	413	544	561	551	621
Zone 7 - Fleurimont	**	**	**	419	483	501	581	603
Sherbrooke CMA	328	337	392	407	495	505	591	607

1.1.3 Number of Private Apartment Units Vacant and Universe in October 2005 by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Zone 1 - East District	8	483	10	2,048	20	3,007	3	665	41	6,204
Zone 2 - Central District	14	450	7	757	12	511	4	194	37	1,913
Zone 3 - West District	5	508	12	1,349	34	2,430	9	730	60	5,016
Zone 4 - North District	6	494	27	1,424	31	3,138	10	1,115	74	6,172
Former Sherbrooke City	33	1,936	56	5,579	97	9,087	26	2,704	212	19,305
Zone 5 - Ascot/Lennoxville	3	87	13	948	26	1,869	9	471	52	3,375
Zone 6 - Rock Forest	**	**	2	249	23	1,123	3	387	28	1,760
Zone 7 - Fleurimont	**	**	4	179	0	784	0	255	4	1,225
Sherbrooke CMA	36	2,031	76	6,955	146	12,862	39	3,817	296	25,665

** : Data Suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category n/s : No units exist in the sample for this category n/a : Not applicable

1.1.4 Private Apartment Availability Rates (%) by Zone and Bedroom Type Sherbrooke CMA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - East District	3.4	1.6	0.9	0.6	1.4	1.2	0.7	0.6	1.3	1.0
Zone 2 - Central District	1.7	3.2	0.8	0.9	1.9	2.4	1.5	2.0	1.4	1.9
Zone 3 - West District	1.6	1.7	1.4	1.4	0.8	1.4	0.7	1.7	1.0	1.5
Zone 4 - North District	2.3	1.4	0.5	2.4	2.2	1.1	1.7	1.2	1.7	1.5
Former Sherbrooke City	2.3	1.9	0.9	1.3	1.5	1.3	1.2	1.2	1.4	1.4
Zone 5 - Ascot/Lennoxville	2.1	4.0	0.7	1.4	1.8	1.5	2.8	2.0	1.7	1.6
Zone 6 - Rock Forest	**	**	0.0	1.2	0.9	2.2	1.5	1.9	0.9	2.0
Zone 7 - Fleurimont	**	**	9.7	2.5	2.9	0.0	0.4	0.4	3.3	0.4
Sherbrooke CMA	2.3	2.0	1.1	1.3	1.6	1.3	1.4	1.3	1.5	1.4

1.2.1 Private Apartment Vacancy Rates (%) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Sherbrooke CMA										
Pre 1940	0.0	3.9	1.2	0.5	1.6	1.7	0.0	1.3	1.0	1.6
1940 - 1959	**	**	0.8	2.6	0.9	1.1	1.3	0.6	0.9	1.6
1960 - 1974	2.4	1.3	0.5	0.7	0.5	1.3	0.6	1.6	0.7	1.1
1975 - 1989	0.4	1.1	0.5	1.0	0.5	0.7	0.6	0.9	0.5	0.8
1990 - 1999	**	**	**	**	0.2	0.4	0.0	0.2	0.3	0.6
2000+	0.0	1.6	**	**	5.3	2.9	3.6	1.4	4.1	2.5
Total	1.1	1.8	0.6	1.1	1.0	1.1	0.8	1.0	0.9	1.2

1.2.2 Private Apartment Average Rents ($) by Year of Construction and Bedroom Type Sherbrooke CMA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Sherbrooke CMA								
Pre 1940	298	303	347	354	423	426	502	494
1940 - 1959	**	**	363	395	440	458	**	**
1960 - 1974	321	332	393	397	462	477	555	565
1975 - 1989	365	368	404	419	484	500	593	601
1990 - 1999	**	**	**	**	527	543	635	652
2000+	**	**	**	**	681	668	762	766
Total	328	337	392	407	495	505	591	607

** : Data Suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category n/s : No units exist in the sample for this category n/a : Not applicable

1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Sherbrooke CMA										
3 to 5 Units	**	0.0	1.3	1.1	0.6	0.9	0.0	0.1	0.6	0.7
6 to 19 Units	1.1	2.7	0.1	0.9	1.5	1.2	1.1	1.2	1.1	1.2
20 to 49 Units	1.7	1.2	0.8	0.8	0.5	0.7	1.1	1.7	0.8	0.9
50 to 99 Units	0.4	1.6	0.4	2.8	2.2	2.6	1.5	2.4	1.3	2.5
100+ Units	1.0	2.3	0.5	1.8	0.9	3.6	**	**	0.7	2.1
Total	1.1	1.8	0.6	1.1	1.0	1.1	0.8	1.0	0.9	1.2

1.3.2 Private Apartment Average Rents ($) by Structure Size and Bedroom Type Sherbrooke CMA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +	
	2004	2005	2004	2005	2004	2005	2004	2005
Sherbrooke CMA								
3 to 5 Units	**	274	353	370	525	510	604	629
6 to 19 Units	316	327	374	385	475	490	572	578
20 to 49 Units	313	332	394	407	479	493	559	581
50 to 99 Units	364	369	457	489	553	589	633	668
100+ Units	**	**	**	**	**	**	**	**
Total	328	337	392	407	495	505	591	607

1.3.3 Private Apartment Vacancy Rates (%) by Structure Size and Zone Sherbrooke CMA

Zone	3-5		6-19		20-49		50-99		100+	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Zone 1 - East District	0.5	0.0	0.3	0.4	0.5	0.4	3.3	5.0	**	**
Zone 2 - Central District	0.0	0.7	1.0	2.9	2.6	1.6	**	**	**	**
Zone 3 - West District	1.3	1.8	0.5	1.0	1.0	1.1	0.0	1.1	n/u	n/u
Zone 4 - North District	0.5	0.0	2.4	1.1	0.7	0.6	1.0	2.2	0.8	3.7
Former Sherbrooke City	0.7	0.6	1.0	1.1	0.8	0.7	1.4	2.7	0.7	2.1
Zone 5 - Ascot/Lennoxville	0.0	0.8	2.6	1.8	0.8	1.5	**	**	n/u	n/u
Zone 6 - Rock Forest	0.5	1.3	0.0	2.3	0.4	0.8	n/u	n/u	n/u	n/u
Zone 7 - Fleurimont	0.0	0.7	0.0	0.0	0.4	0.4	n/u	n/u	n/u	n/u
Sherbrooke CMA	0.6	0.7	1.1	1.2	0.8	0.9	1.3	2.5	0.7	2.1

** : Data Suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category **n/s** : No units exist in the sample for this category **n/a** : Not applicable

1.4 Private Apartment Vacancy Rates (%) by Rent Range and Bedroom Type Sherbrooke CMA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
Sherbrooke CMA										
LT $500	1.2	1.7	0.6	0.8	0.5	0.8	1.0	0.5	0.6	0.9
$500 - $549	**	**	**	**	0.2	0.3	0.3	0.3	0.3	0.6
$550 - $599	n/s	n/s	**	**	1.2	0.7	0.3	2.1	0.6	1.3
$600 - $649	n/s	n/s	**	**	0.4	0.5	0.5	0.3	0.4	0.7
$650 - $699	n/s	n/s	**	**	3.1	4.1	0.0	0.7	2.5	2.9
$700+	n/s	n/s	n/s	**	2.6	2.7	2.8	1.4	5.8	2.0
Total	1.1	1.8	0.6	1.1	1.0	1.1	0.8	1.0	0.9	1.2

** : Data Suppressed to protect confidentiality or because data is not statistically reliable

n/u : No units exist in the universe for this category **n/s** : No units exist in the sample for this category **n/a** : Not applicable

METHODOLOGY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on its initiation type (public or private), and whether it is an apartment or a row structure. The survey collects vacant unit data for all sampled structures. The market rent data are collected for only privately initiated structures. The available unit data are obtained only for privately initiated apartment or row structures. Most data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

Definitions

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent. The changes in average rent do not necessarily correspond to rent changes within a given structure. The increase or decrease of the average rents between two years may or may not be statistically significant due to other factors such as the variability of the rents.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2001 Census areas definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

Information and Subscriptions

For more information about this publication or any other questions on the Sherbrooke housing market, please call our **Client Service Department** at (866) 855-5711 or (514) 283-8396 or e-mail us at **cam_qc@cmhc-schl.gc.ca** .

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Cette publication est aussi disponible en français sous le titre: Rapport sur le marché locatif.

Note: Tables for rental row (townhouses) are not released in this current publication. However, tables are available on request where applicable.

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